v. *Chipman*, 8 Vt. 334; see *Hallgarten* v. *Oldham*, 135 Mass. 1, 9. It is submitted that the fact that the third person holds under a prior mortgage should not alter the result. See *Wheeler* v. *Nichols*, 32 Me. 233. The opinion in the principal case proceeds on the theory that the statute has the further aim of making the change of possession to the mortgagee notice of the specific claim under which possession was taken. But this view goes too far, since it would invalidate even a second unrecorded mortgage to the prior mortgagee in possession. The extent of the incumbrance can be discovered in the principal case as easily as in any case where the goods are in the hands of third parties, who hold for the mortgagees.

COMPOSITION WITH CREDITORS — RESERVATION OF MORAL OBLIGATION — VALIDITY OF SUBSEQUENT PROMISE AFTER COMPOSITION. — The defendant executed a composition with his creditors and reserved a secret moral obligation to pay the plaintiff in full, later making a promise to that effect. The plaintiff sues on the subsequent promise. *Held*, that the later promise is supported by consideration. *Straus* v. *Cunningham*, 144 N. Y. Supp. 1014 (App. Div.).

An agreement with two or more creditors for part payment in complete satisfaction of debts, validly discharges the old liabilities, substituting the new agreement. *Warren* v. *Whitney*, 24 Me. 561. Therefore a subsequent promise to pay the balance of the old debt is unenforceable, unless supported by present consideration. *Stafford* v. *Bacon*, 1 Hill (N. Y.) 533. Recovery is permitted in the principal case, however, on the ground that the moral obligation to pay debts in full is consideration for the new promise; that although the moral obligation, as in the above cases, does not ordinarily survive a voluntary discharge, it is preserved here by the express reservation. *Taylor* v. *Hotchkiss*, 81 N. Y. App. Div. 470, 80 N. Y. Supp. 1042. After a discharge in bankruptcy, even though the debt is extinguished, a promise to pay the original debt is binding. *Bridgman* v. *Christie*, 51 N. J. Eq. 331, 25 Atl. 939. Although variously explained, this exception would seem to rest on the ground that there is a public policy in holding the debtor to a reassumed liability, since he has obtained an involuntary discharge through operation of law. There would seem to be an equally strong policy in the case of composition agreements, for the creditors' consent is in effect coerced by their natural desire to escape a general struggle to appropriate the debtor's assets. The court, in distinguishing the present case on the ground that there was an express reservation, shows a tendency to reach this result and avoid the authority of the composition cases.

CONFLICT OF LAWS — RIGHTS AND OBLIGATIONS OF FOREIGN CORPORATIONS — ENFORCEMENT OF INDIVIDUAL LIABILITY OF CORPORATORS. — The defendant, a citizen of New York, agreed to subscribe to stock in a corporation which was to do business in California. The corporation was formed under the Arizona law, its charter expressly exempting the stockholders from personal liability. The charter provided for the carrying on of business in California. The corporation then contracted debts in California, where, by statute, shareholders in foreign corporations were made personally liable. The plaintiff, a California creditor, now sues the defendant stockholder in the federal courts of New York. *Held*, that the defendant is personally liable. *Thomas* v. *Matthiessen*, 34 Sup. Ct. 312.

For a discussion of the principles involved in the case, see NOTES, p. 575.

CONSTITUTIONAL LAW — DUE PROCESS OF LAW — TAKING PROPERTY OR REGULATING ITS USE FOR PUBLIC ESTHETICS. — A city ordinance prohibited the building of retail stores in residential sections without consent of a majority of the frontage owners. *Held*, that the statute is unconstitutional. *People* v. *Chicago*, 103 N. E. 609 (Ill.).

For an editorial note on whether property may be taken for public esthetics, either because of the police power or by eminent domain, see this issue of the REVIEW, p. 571.

CONTEMPT OF COURT — POWER TO PUNISH — DISOBEDIENCE OF INJUNCTION ORDERED BY APPELLATE COURT, REVERSING LOWER COURT. — A mandatory injunction having been refused by the lower court, the upper court decreed that an injunction issue. The defendants disobeyed this injunction before its formal adoption by the lower court. *Held*, that the lower court has jurisdiction to punish. *Fortescue* v. *McKeown*, [1914] 1 Ir. Ch. 30.

To obtain jurisdiction to enforce a final judgment rendered in an appellate court at law, the lower court must formally adopt it as its own. *Clapper* v. *Bailey*, 10 Ind. 160. But on appeal in equity the decree of the appellate court is as though rendered by the court below. The latter therefore has the same jurisdiction over subsequent proceedings as after its own decree. *Sowdon* v. *Marriott*, 2 Phil. 623; S. C. *Flight* v. *Marriott*, 12 Jur. 487. The appellate court should not be the one to punish the disobedience of its decree rendered on appeal. *Dowagiac Mfg. Co.* v. *Minnesota Moline Plow Co.*, 124 Fed. 735. An injunction takes effect from the time ordered, and before the formal sealing of the writ. *Rattray* v. *Bishop*, 3 Madd. 220; *Winslow* v. *Nayson*, 113 Mass. 411, 420. And it is binding on a party who has actual notice, irrespective of formal entry or service. *Hearn* v. *Tennant*, 14 Ves. 136; *Poertner* v. *Russell*, 33 Wis. 193; *Winslow* v. *Nayson*, *supra*, 420. See also *Daniel* v. *Ferguson*, [1891] 2 Ch. 27, 29. Since in the principal case the defendant's knowledge of the order appears unquestionable, the lower court clearly had power to punish, and its refusal on jurisdictional grounds was error. However, in the absence of formal service, the lower court should be sure that there is actual notice of the order. *Dowagiac Mfg. Co.* v. *Minnesota Moline Plow Co.*, *supra*, 736. And since the failure to obey a mandatory injunction generally results only in a continuance of the *status quo*, to refuse to punish until formal service, which can be easily procured, would seem well within the court's discretion. Disobedience of a restraining order is obviously different.

CORPORATIONS — TORTS AND CRIMES — LIABILITY FOR LARCENY. — The Tyson Ticket corporation purchased, on behalf of a customer, two season tickets for the Metropolitan Opera at New York. It then pledged these tickets to secure a loan to itself. *Held*, that the corporation may be convicted of larceny. *People* v. *Tyson & Company, Inc.*, 50 N. Y. L. J. 1829 (City Magistrates' Ct., N. Y., Jan., 1914).

If allowed to stand, this will be the first conviction of a corporation for felony. As such, it is opposed by two modern decisions. *Commonwealth* v. *Punxsutawney Street Passenger R. Co.*, 24 Pa. Co. Ct. 25; *Queen* v. *Great West Laundry Co.*, 13 Manitoba, 66. But four earlier cases hold corporations liable for misdemeanors involving criminal intent. *State* v. *Eastern Coal Co.*, 29 R. I. 254, 70 Atl. 1; *United States* v. *John Kelso Co.*, 86 Fed. 304; *Grant Bros. Construction Co.* v. *United States*, 13 Ariz. 388, 114 Pac. 955; *United States* v. *McAndrews & Forbes Co.*, 149 Fed. 823. The cases argue that since a corporation is liable for wilful torts of its agents, therefore its agents' criminal intent must be "imputed" to a corporation charged with crime. *Green* v. *London General Omnibus Co.*, 7 C. B. N. S. 290; *Reed* v. *Home Savings Bank*, 130 Mass. 443. But the ground of civil responsibility in the cases cited is not that an actual malicious intent is "imputed" to the corporation. Every master is liable for his agents' wilful torts committed in an attempt to accomplish the purposes of the employment, on grounds wholly independent of the master's state of mind. *Bergman* v. *Hendricksen*, 106 Wis. 434, 82 N. W. 304; see 1 CLARK & SKYLES, AGENCY, § 493. Yet clearly he is not held for his servant's crimes